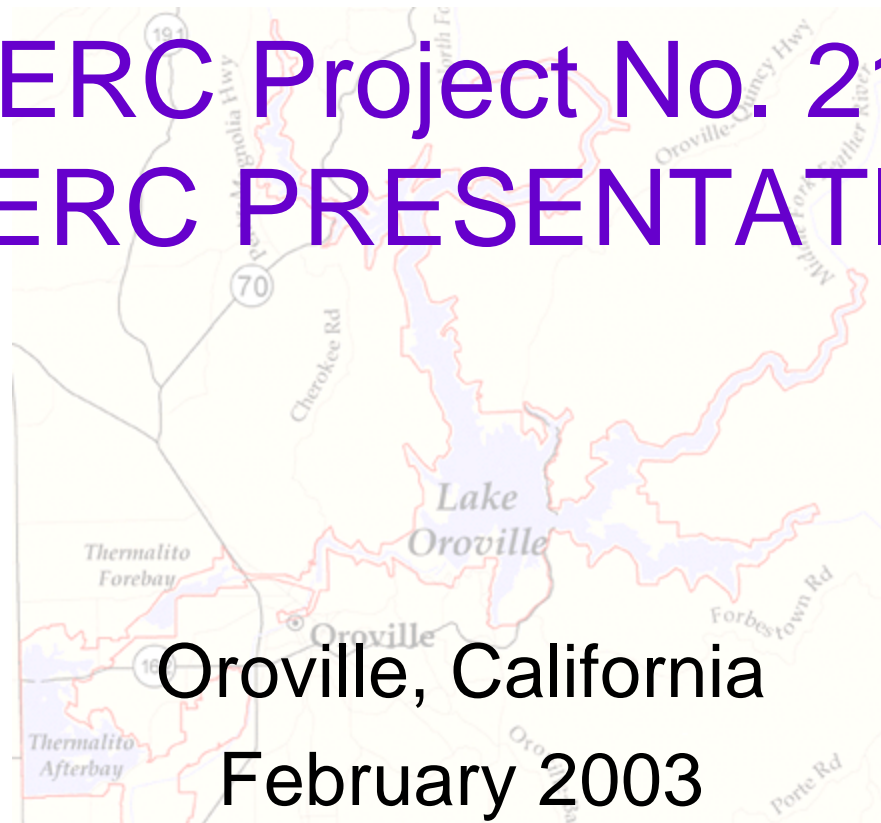


# Oroville Facilities Relicensing FERC Project No. 2100 FERC PRESENTATION



Oroville, California

February 2003

# Consideration of Economic Information

## Commission Staff Considers Two Kinds of Economic Information:

- Project net benefit study – answers the question: “How does the proposed project compare with alternative power sources available to the applicant?”
- Project PM&E cost study – answers the question: “How much would the proposed PM&E measure cost over the new license period?”

This PM&E cost may include any loss in the existing power value caused by the measure, any cost of building or modifying facilities, or any change the PM&E measure would cause in operation and maintenance costs.

# Resolving Competing Issues

- Two of the biggest hurdles I see are:
  - Describing the significance of environmental effects on a resource and the public: such as how raising instream flow in a bypass would benefit a fishery or the public
  - Figuring out what economic information best helps the decision-maker

```
graph TD; A[Increased Information for Decision Making] --> B[Cost Oblivious Decision Making]; A --> C[Benefit Cost Analysis]; B --> D[Cost Effectiveness Analysis]; C --> E[Incremental Analysis];
```

**Increased Information  
for Decision Making**

**Cost  
Oblivious  
Decision  
Making**

**Benefit Cost  
Analysis**

**Cost  
Effectiveness  
Analysis**

**Incremental  
Analysis**

# Resolving Competing Issues

- In the end, all decisions are emotional, even when they seem neutral or objective, depending more on the personality of the chooser than unbiased weighing of fact